

Agenda Report

October 17, 2011

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH BADGER METER, INC. TO FURNISH AND DELIVER COLD WATER METERS FOR THE WATER AND POWER DEPARTMENT FOR AN AMOUNT NOT TO EXCEED \$1,200,000 PER YEAR

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the project is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15302 (Replacement or Reconstruction);
2. Accept the bid dated September 2, 2011 submitted by Badger Meter, Inc., in response to Specifications WD-11-01 to furnish and deliver cold water meters to the Water and Power Department (Department), reject all other bids received, and authorize the City Manager to issue a Purchase Order Contract to Badger Meter, Inc. for \$1,200,000 per year for two years with two optional one-year extensions of \$1,200,000 per year.

BACKGROUND:

Specification WD-11-01 provides for a contract to furnish and deliver cold water meters to the Department. Cold water meters are devices used to measure the volume of water usage and are necessary to replace aging and/or non-functional meters and for capital improvements to the City of Pasadena's (City) water infrastructure. There are different types and sizes and selection is based on different flow measurement methods, the type of end user and the required flow rates.

The bids were categorized into two groups based on the size of the meters. This gives all bidders an equal opportunity to bid on one or both of the groups based on their specialty.

The Notice Inviting Bids for Specification WD-11-01 was published in the Pasadena Journal on August 11, 2011 and posted on the City's web page. In addition, specifications were mailed to thirteen businesses on the Purchasing Division's vendor list. Bid packets were obtained by sixteen contractors and two bids were received for the project.

In accordance with the Specifications, the bids were evaluated by weighted calculations; i.e., multiplying each unit price by the estimated quantity and then adding the products of these unit prices and estimated quantities to arrive at a total price. The estimated quantities were determined by the frequency with which the various sized meters are required. The total price does not represent an actual dollar amount, but provides a method of comparing bids.

Following advertising, bids were opened on September 7, 2011.

Bid Group 1: Small Meters

<u>Bidders</u>	<u>Total Weighted Bid Price</u>
1. Badger Meter, Inc., Milwaukee, WI	\$1,445,742.40
2. Aqua Metric Sales Company, Riverside, CA	No Bid

Bid Group 2: Large Meters

<u>Bidders</u>	<u>Total Weighted Bid Price</u>
1. Badger Meter, Inc., Milwaukee, WI	\$207,024.08
2. Aqua Metric Sales Company, Riverside, CA	\$220,645.53*

*Aqua Metric Sales Company did not complete all the required forms in accordance with the Specifications, therefore, their bid is non-responsive.

Badger Meter, Inc. is the lowest responsive and responsible bidder in both groups and complies in all respects with the requirements of the specification.

Staff recommends the award of a contract to Badger Meter, Inc., for an amount not to exceed \$1,200,000 per year for two years with two optional one-year extensions of \$1,200,000 per year at the discretion of the City Manager.

The proposed contract complies with Competitive Bidding and Purchasing Ordinance P.M.C. 4.08 and the rules and regulations promulgated there under.

Authorization to Enter into a Contract with Badger Meter, Inc. to Furnish and Deliver Water Meters

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COUNCIL POLICY CONSIDERATION:

The proposed contract supports the Department's Water System Master Plan adopted by the City Council in 2002 to allow for the replacement of water meters and establishment of reliable infrastructure for the City's water system.

ENVIRONMENTAL ANALYSIS:

The project is exempt from CEQA review pursuant to State CEQA Guidelines Section 15302 (Replacement or Reconstruction). The exemption covers the repair, maintenance, or minor alteration of existing public or private facilities, including existing highways and streets, sidewalks, gutters, bicycle and pedestrian trails, and similar facilities, involving negligible or no expansion of use.

Authorization to Enter into a Contract with Badger Meter, Inc. to Furnish and Deliver Water Meters

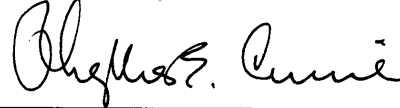
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FISCAL IMPACT:

The maximum cost of this contract, including the two extensions, is \$4,800,000. Funding for this contract will be addressed by the utilization of existing and future appropriations to Budget Number 1002 Meters and Services of the Water Capital Fund 412. It is anticipated that \$1,200,000 of the cost will be spent during the current fiscal year. The remainder of the costs will be spent over the next three fiscal years in approximately even increments.

Respectfully submitted,



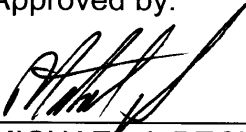
PHYLLIS E. CURRIE
General Manager
Water and Power Department

Prepared by:



CATHY CHANG
Principal Engineer

Approved by:



MICHAEL J. BECK
City Manager